

## Roland W. Burris

Comptroller State of Illinois

July 8, 1983

201 State House Springfield, Illinois 62706 217/782-6000

## PAYROLL BULLETIN (4-83)

TO:

All State Agencies, Departments, Boards, Commissions

and Universities

SUBJECT:

Increase in Illinois individual income tax rate

P.A. 83-14 (HB 1470) has increased the rate of individual income tax, effective from January 1, 1983 to June 30, 1984. The Illinois Department of Revenue has issued an Informational Bulletin FY 84-3, copy attached, which sets forth the changes in withholding requirements resulting from P.A. 83-14.

The Informational Bulletin states that withholding agents are required by law to withhold taxes at a rate of 3.5% from July 1 to December 31 of this year and that withholding should be adjusted immediately.

Agencies should, therefore, amend any payroll vouchers which have not yet been sent to the Comptroller's Office to reflect the 3.5% withholding.

However, in order to prevent delays in the processing of payrolls, the Comptroller's Office will accept payroll vouchers with Illinois income tax withholding at the 2.5% rate until July 15, 1983. All payroll vouchers received after July 15, 1983, must withhold at the 3.5% rate. Please note that this requirement also applies to persons paid on C-O2 vouchers.

Questions concerning vouchering procedures should be directed to Dan Steven, 217/782-4758. Questions concerning amounts of withholding should be directed to the Department of Revenue.

Sincerely,

Larry D. Roth

Director - State Accounting

## Illinois Department of Revenue

**J. Thomas Johnson**, Director 1500 South Ninth Street Springfield, Illinois 62708

## **INFORMATIONAL BULLETIN FY 84-3**

TO: Withholding agents who remit tax on a quarter-monthly basis

RE: Increase in Illinois individual income tax rate

Illinois has raised the rate of the individual income tax, effective from JANUARY 1, 1983 to JUNE 30, 1984. The temporary rate is 3% (up from 2.5%).

In order to achieve withholding at 3% for calendar year 1983, withholding agents are required by law to withhold taxes at a rate of 3.5% from July 1 to December 31 of this year. You should adjust your withholding immediately.

You will soon receive a revised "Illinois Income Tax Act Withholding Tax Guide and Withholding Tables", (Form IL-700), which will include withholding tables based on a 3½% rate.

Another revision of Form IL-700 will be sent to you later this year containing tables based on a 3% rate, for use from January through June, 1984.

The law provides for the return to a withholding rate of 21/2% in July, 1984.

If you have any questions regarding Illinois income tax withholding, please call us. In Cook County, call (312) 641-2150. Outside Cook County but inside Illinois, you may call toll-free (800) 252-8972. Out-of-state taxpayers should call (217) 782-3336.

J. Thomas Johnson

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Director

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